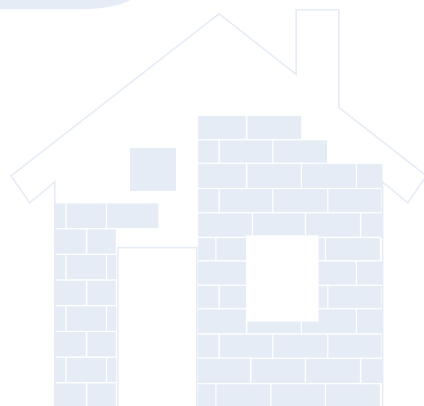




B



## Market Overview

- ▶ Chile's construction machinery and equipment total market size is US\$350 million. Local production is US\$50 million and imports are US\$300 million, of which US\$150 million are from the U.S.
- ▶ Infrastructure and urban development concessions in Chile totaled US\$4.6 billion from 2001 to 2003. For 2003-2004, an additional 33 concessioned projects have been approved, totaling US\$1.93 billion.
- ▶ The projected 2003 growth for the construction sector was 4%.
- ▶ According to the Chilean Construction Chamber estimates, the sector generated 18,000 to 25,000 new jobs in 2003.
- ▶ The MOPITT (Public Infrastructure, Telecommunications and Transport Ministry) has a project investment portfolio of US\$950 million in public infrastructure projects that were publicly bid during 2003. It is estimated that the budget for 2004 will be very similar.

## U.S. Position

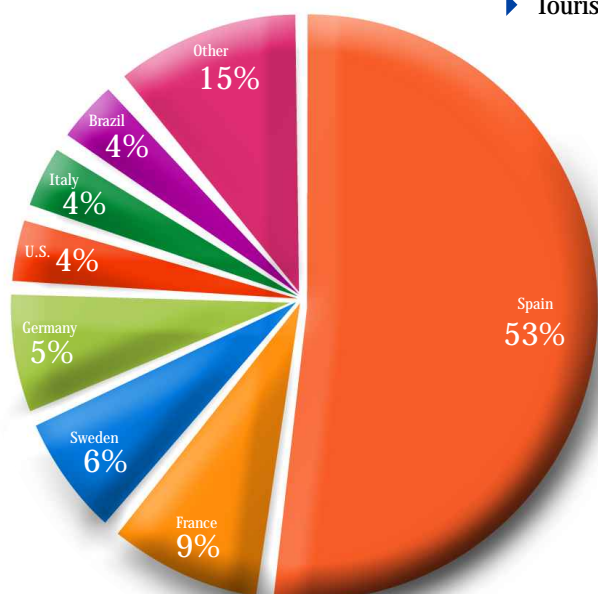
- ▶ The U.S. has invested US\$66.3 million in the Chilean construction sector between 1974 and 2002, accounting for 4% of the sector's total foreign investment. Some U.S. companies are currently participating in public bids, while others have opened factories in Chile. Sidings, coverings, and coatings are the top U.S. imports. The U.S. has no significant local presence in construction services.

## Competitors

- ▶ European, mainly Spanish, companies dominate this market primarily through public projects concessioned to private consortiums (e.g. US\$5 billion invested in infrastructure projects). Some of the main multinational companies investing in Chile through concessions are: Spain's Cintra, Sacyr, ACS, Dragados and Ecovias; Italy's Impregilo; France's GTM and Alstom; Canada's YVR Airport Services; and Sweden's Skanska.

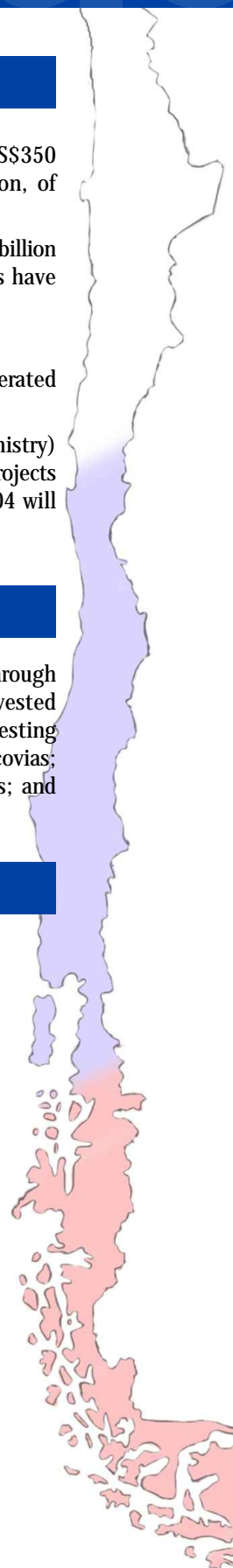
## Principal Sub Sectors

- ▶ Real-estate market: new houses and apartments in Santiago
- ▶ Building materials market
- ▶ Concessioned infrastructure projects
- ▶ Tourism (resorts, fishing lodges etc.)



**Foreign Direct Investment  
in Chile's Construction  
Sector (1974-2002)**  
Total: US\$1.7 billion

Source: Chilean Foreign Investment Committee



## Commercial Opportunities

► Sustained economic growth, an orientation towards U.S. construction standards, and expanding business and infrastructure needs provide a strong base for U.S. construction service providers.

► Key infrastructure projects:

- Airports: US\$250 million (Temuco, Copiapó, Tongoycillo, Pudahuel)
- Energy: US\$800 million required per year
- Public transport infrastructure concessions: US\$367 million in Highway Costanera Norte (US\$240 million bond issue); light rail in Santiago (US\$175 million); the underground Metro extension in Santiago (US\$436 million), among others
- Irrigation system: US\$400 million (dams Convento Viejo, Ancoa and Punilla and Aconcagua Valley irrigable system) in the 2003-2004 period

► Public bids:

	Projects up for bidding in 2004	Investment (US\$ Million)
1	Norte Grande Highway	153
2	Valle Aconcagua Irrigable System	130
3	Punilla's Dam	128
4	Maintenance Highway 5, La Serena-Caldera	105
5	Central Train (*)	70
6	IX Region Airport	48
7	Ancoa's Dam	34
8	Cars Care (*)	26
9	IV Region New Airport	25
10	X Region Connectivity System	20
11	Road Connection Melipilla - Camino de la Fruta (*)	19
12	Improvement Highway G-21	15
13	Puerto Natales Port and Navigation Route "Paso Kirke" Improvement (*)	10
14	Antofagasta's shore road "Playa El Carboncillo"	8
15	Rio Maipo's Bridge Santa Rita de Pirque (*)	3

\*Private Initiative Projects, its bid depends on studies to be performed by private firms as well as the evaluation of the Public Works Ministry.  
Source: Public Works Concession's Unit.

## Other Resources

- U.S. Department of Commerce ACE Team Leader: Raj Dheer: [raj.dheer@mail.doc.gov](mailto:raj.dheer@mail.doc.gov)
- Chilean Construction Chamber: [www.cchc.cl](http://www.cchc.cl)
- MOPTT (Public Infrastructure, Telecommunications and Transport Ministry): [www.moptt.cl](http://www.moptt.cl)
- Ministry of Housing and Urbanization: [www.minvu.cl](http://www.minvu.cl)
- Concessions: [www.conseccionschile.cl/web\\_inglés/](http://www.conseccionschile.cl/web_inglés/)

### CONTACT US

We hope that you find this information useful. If you would like further information, please contact Carlos.Capurro@mail.doc.gov, the CS Santiago Construction, Architecture and Engineering Services Specialist. Visit our website ([www.buyusa.gov/chile](http://www.buyusa.gov/chile)) to discover other commercial opportunities in Chile. (January, 2004)

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